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The Public Service Commission State of South Carolina

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Joseph M. Melchers
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June 17, 2005

Benjamin P. Mustian, Esquire
Office of Regulatory Staff
P.O. Box 11263
Columbia, South Carolina 29211

Bonnie D. Shealy, Esquire
Robinson McFadden & Moore, PC
P.O. Box 944
Columbia, South Carolina 29202

Re: Docket No. 2004-358-C

Dear counsel:

I am responding to Mr. Mustian's letters dated June 2 and June 7, 2005 (received June 7th and 8th respectively) in which he addresses a conversation held with me in the presence of Doug Pratt and David Butler. In order that all parties may have a complete record of the events that are the subject of Mr. Mustian's letters, I am setting forth my recollection of what transpired.

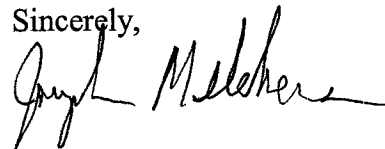
I observed the hearing held on June 2, 2005, in this matter, which was presided over by David Butler as Hearing Examiner. As you all know, the hearing involved an application for a certificate of authority to transact business as a reseller of interexchange telecommunication services in South Carolina. The applicant, DELTEL, had only requested authority to offer long distance service, and its representative was asked during the hearing whether the company desired to apply for both local and long distance services. The company's representative testified that DELTEL was only requesting certification to offer long distance services. However, based on certain services which his application and testimony had indicated the company planned to offer, it was not clear to me whether he had clearly communicated the scope of the desired certification.

In light of this concern, and because of my desire that the applicant be spared the possible inconvenience of having to apply for amendment of its certification, in the hallway after the hearing I approached Mr. Mustian about it and suggested we go meet with Ms. Shealy, who I understood to still be in the building. When I explained to Mr. Mustian that I wanted to verify with Ms. Shealy and him that DELTEL actually intended to request a certificate to resell only

long distance service, and not local telephone service, Mr. Mustian offered to relay those concerns to Ms. Shealy. I recall that the Commission's technical advisor Doug Pratt was present during this brief conversation, and that Mr. Butler joined us after it started. Both now and at the time of the discussion with Mr. Mustian, I believed that my communication with him involved a procedural issue as to the potential scope of an application in regard to a hearing which had already concluded, and it did not occur to me that Mr. Mustian considered it differently.

I hope that my recollection of these events is helpful to the parties. Please let me know if I can provide you with any additional information regarding this incident.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph M. Melchers". The signature is fluid and cursive, with the first name "Joseph" written in a larger, more prominent script than the last name "Melchers".

Joseph M. Melchers
Chief Counsel

JMM/hha

cc: Charles Terreni, Chief Clerk/Administrator
F. David Butler, Senior Counsel
Douglas K. Pratt, Engineer IV